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British Virgin Islands

Working paper prepared by the Secretariat

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Note: The information contained in the present paper has been derived from public sources, including those of the territorial Government, and from information transmitted to the Secretary-General by the administering Power under Article 73 *e* of the Charter of the United Nations. Information was transmitted by the administering Power on 11 January 2016. Further details are contained in previous working papers available from www.un.org/en/decolonization/workingpapers.shtml.

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The Territory at a glance

Territory: The British Virgin Islands is a Non-Self-Governing Territory under the Charter of the United Nations administered by the United Kingdom of Great Britain and Northern Ireland.

Representative of administering Power: Governor John S. Duncan (August 2014).

Geography: Located approximately 100 km east of Puerto Rico and 25 km from the United States Virgin Islands, the Territory comprises a group of some 50 islands, islets and cays that form an archipelago with the United States Virgin Islands. Twenty of the islands are inhabited. The major islands are Tortola, Virgin Gorda, Anegada and Jost Van Dyke.

Land area: 153 km^2.

Exclusive economic zone: 80,117 km^2.

Population: 28,200 (2010 census), of which 39 per cent are citizens, or "belongers". The great majority of "non-belongers" hail from countries in the region, North America and Europe.

Life expectancy at birth: 78.5 years (men: 77.1 years, women: 79.9 years (2015 estimate)).

Language: English.

Capital: Road Town, located on the largest island, Tortola.

Head of territorial Government: Premier Daniel Orlando Smith.

Main political parties: National Democratic Party; Virgin Islands Party.

Elections: Most recent: 8 June 2015; next: due by June 2019.

Legislature: 15-member unicameral House of Assembly.

Gross domestic product per capita: $31,300 (2013 estimate).

Economy: Financial services and tourism.

Main trading partners: The United States of America, the United Kingdom and the States members of the Caribbean Community.

Unemployment rate: 2.8 per cent (2014).

Monetary unit: United States dollar.

Brief history: The earliest known inhabitants of the Territory were the Arawaks and the Caribs, indigenous peoples of the region. The Dutch established the first permanent European settlement in 1648. British planters took control of the islands in 1666 and the Territory attained the status of a British colony.

I. Constitutional, political and legal issues

1. Under the Virgin Islands Constitution Order 2007, the British crown appoints a Governor with responsibilities for defence, internal security, external affairs, the terms and conditions of service for persons in the public service and the administration of the courts. In the areas of internal security and external affairs, the Constitution provides for the territorial Government to have formal input, given that they relate to certain matters falling within ministerial portfolios. There is a reservation for the British crown to make laws for the peace, order and good government of the Virgin Islands. The United Kingdom of Great Britain and Northern Ireland retains unlimited power to legislate for the Territory. In terms of external relations, the British Virgin Islands is entrusted to negotiate treaties in specific areas, such as certain offshore financial matters.

2. The 2007 Constitution led to the introduction of a cabinet-style Government. The Cabinet consists of the Premier, appointed by the Governor from among the elected members of the House of Assembly; four other Ministers, appointed by the Governor on the advice of the Premier; and one ex officio member, namely, the Attorney General. The Governor attends and presides over the Cabinet but does not have a voting right. The agenda is agreed by the Cabinet Steering Committee, consisting of the Governor, the Premier and the Cabinet Secretary. The House of Assembly consists of a Speaker, the Attorney General (ex officio) and 13 elected members — 9 from one-member electoral districts and 4 representing the Territory at large.

3. General elections must be held at least once every four years. Candidates are elected on the basis of a simple majority. Persons voting must be 18 years of age or over and have "belonger" status. Belonger status includes the right to work without a permit and the right to vote. In practice, a person must reside continuously in the Territory for 20 years before he or she may apply for permanent residence and, subsequently, belonger status. In the general election held on 8 June 2015, the incumbent National Democratic Party (NDP) led by Premier Daniel Orlando Smith again won a majority, 11 out of 13 of seats, while the Virgin Islands Party won the remaining seats. In its final report on the June 2015 election, the Commonwealth Elections Observer Mission, which had been invited by the Governor and supported by the territorial Government and the Opposition, stated that the election had met key international standards, while making recommendations on further improvements to streamline the voting and counting procedures and to address the deficiencies in the regulatory framework, in particular in relation to the registration of political parties and campaign financing.

4. The law of the British Virgin Islands comprises the common law of England and legislation that is enacted either locally or by the United Kingdom on behalf of the Territory. Justice is administered by the Saint Lucia-based Eastern Caribbean Supreme Court, which consists of the High Court of Justice and the Court of Appeal. According to the administering Power, there are three resident High Court judges and a visiting Court of Appeal, which comprises the Chief Justice and two judges of appeal and sits twice a year in the Territory. There is also a magistrates court, which hears prescribed civil and criminal cases, as well as a juvenile court and a court of summary jurisdiction. The Privy Council of the United Kingdom is the final court of appeal. The British Overseas Territories Act 2002 provides for the granting of British citizenship to "British Overseas Territory citizens".

5. As previously reported, at the Pacific regional seminar held in Quito from 30 May to 1 June 2012, the representative of the British Virgin Islands stated that the Territory's position was to maintain its current relationship with the administering Power, built on mutual respect and a mature partnership, as the Territory continued to grow. Furthermore, speaking at the Caribbean regional seminar held in Quito from 28 to 30 May 2013, the representative of the British Virgin Islands stated that, in his view, the Special Political and Decolonization Committee (Fourth Committee) should set specific achievable goals, taking into account the particularities of each territory, in order to further advance the decolonization process in all the territories.

II. Budget

6. The fiscal year of the Government of the British Virgin Islands runs from January to December. According to the territorial Government, the estimated expenditure of the Territory for 2014 amounted to approximately $265.2 million, with estimated revenue of about $298 million. According to the 2015 budget address delivered on 17 November 2014, the revenue for 2015 was projected to be approximately $311.1 million and expenditure $278.3 million.

7. The Territory collects stamp duties on certain transactions and property and payroll taxes; however, there are no value added or goods and services taxes and the income tax is 0 per cent. In the 2015 budget address, it was stated that, in view of the closing gap between revenue and expenditure, the territorial Government decided in its fiscal strategy to augment its revenue streams by, for example, changing the work permit fees to be based on occupation type and changing water rates to align with the increased cost of purchasing and providing water.

III. Economic conditions

A. General

8. The two main pillars of the Territory are tourism and offshore financial services. The gross domestic product (GDP) for 2013 was $923.2 million, indicating nominal growth of 1.52 per cent over the 2012 figures of $909.4 million. According to the medium-term fiscal plan of the territorial Government for the years 2015 to 2017, the economy of the Territory returned to positive growth in 2013, driven by growth in the hotel and restaurant and transport and communication sectors, accompanied by the sustained performance of the financial services sector.

B. Financial services

9. In 2013, financial services constituted approximately one third of overall economic activity in the Territory, as has been the case since 2010. In addition, the revenue from financial services in 2013 increased by 1.4 per cent, compared with 2012. Furthermore, revenue from incorporations in the first nine months of 2014 rose by 1.8 per cent, compared with the same period in 2013.

10. In the communiqué adopted at the fourth meeting of the Overseas Territories Joint Ministerial Council, held in London on 1 and 2 December 2015, all overseas territories with financial services confirmed their full commitment to international cooperation in tax matters and to the fight against money laundering, tax evasion, illicit finances and corruption.

C. Tourism

11. In 2014, over 755,000 tourists visited the Territory, including some 361,000 cruise ship visitors and 386,000 overnight visitors, with the number of overnight visitors surpassing that of cruise ship visitors. Furthermore, in the first eight months of 2015, a total of 614,101 arrivals was recorded, including over 290,000 overnight visitors and 315,000 cruise ship visitors.

D. Agriculture and fisheries

12. Agriculture and fishing account for approximately 0.5 per cent of the Territory's GDP. Most food requirements are met through imports. Approximately 800 ha of land are cultivated and another 4,000 ha are devoted to pasture. The main crops are fruits and vegetables, produced both for local consumption and for export to the United States Virgin Islands. In 2015, as part of its $46.5 million capital expenditure of that year's budget, the territorial Government announced the $2 million greenhouse development project to further develop agriculture and improve food security through the Territory.

13. The Territory's Fisheries Act of 1997 and Fisheries Regulations of 2003 govern small-scale commercial and recreational fisheries, which serve mainly the local market.

E. Communications and infrastructure

14. The British Virgin Islands has more than 200 km of surfaced roads. The Government continues to upgrade road infrastructure and to expand the road network. As previously reported, the Infrastructure Rehabilitation Loan Project, the joint venture between the territorial Government and the Caribbean Development Bank, continued to support the implementation of road and bridge rehabilitation works to improve drainage in flood-prone areas.

15. There are three international airports. Direct shipping services operate from the Netherlands, the United Kingdom and the United States. A deep-water harbour is located in Road Town. A regular ferry service links Tortola with some of the islands, as well as with Saint Thomas in the United States Virgin Islands.

16. The extension of the cruise pier in Tortola, along with landside development, which had commenced in 2014, continued in 2015. According to the official press release, this project was loan-funded and managed by the Ports Authority, and the total estimated completion cost was $82.9 million.

17. Physical planning in the British Virgin Islands is governed by the Physical Planning Act of 2004, under which all development in the Territory must be approved by the Physical Planning Authority.

18. Tortola is reportedly the only island in the Territory with a public sewage system, although it does not cover the entire island. A number of islands also reportedly suffer from a lack of potable water, despite the introduction of desalination in the 1980s. In 2015, the territorial Government continued to improve the Territory's public water and sewage system.

IV. Social conditions

A. Labour and immigration

19. In 2014, the employed population of the Territory was 18,950 persons, 28 per cent of whom were British Virgin Islanders and 68 per cent foreign workers. The remaining 4 per cent were not specified. A majority of the employment is on the islands of Tortola and Virgin Gorda, sharing 85.3 and 10.7 per cent of the total, respectively.

20. The main employers are the territorial Government (22.1 per cent), followed by hotels and restaurants (16.7 per cent) and real estate, renting and business activity (16.6 per cent). On average, an employed person in the Territory earned $26,368.86 in 2014.

21. The total unemployment rate was 2.8 per cent in 2014, which has remained constant since 2010. The Government's Youth Employment Services initiative remains in operation, and efforts to register unemployed youth and provide basic job training and preparation skills through this initiative continue.

22. In November 2014, the 17-member Minimum Wage Advisory Committee was formed on the basis of its approval by the territorial Government on 19 September 2014 in order to consider the effects of raising the minimum wage, which has remained at $4 per hour since 1999. The Committee recommended an increase in the minimum wage to $6 per hour in its report dated 21 July 2015. The report was presented in the House of Assembly on 2 November 2015.

23. Work permit exemptions are granted by the territorial Government on the basis of enrolment in the school system (entrance at the primary level and completion at the secondary level), marriage to a belonger for a period of no less than three years or residency in the Territory of the British Virgin Islands for 20 years or more by a person who has demonstrated good character. According to the administering Power, the number of exemptions granted is considered on an annual basis.

B. Education

24. The education system in the Territory is guided by the Education Act 2004 and its amendments, including the Education (Amendment) Act 2014. The regulations contained therein are expected to provide guidance to the education system and its stakeholders regarding the implementation of programmes and services, the monitoring of the delivery of education programmes operated under the Act and the conduct of school supervision, including complaint investigations requested by the public.

25. According to the administering Power, the Territory has 14 public primary schools and 4 public secondary schools, in addition to 1 public pre-primary school and 1 public special education learning centre. There are also a number of private primary and secondary schools.

26. Primary and secondary education are free and compulsory for children aged 5 through 17. Tertiary education is offered for free to Virgin Islanders at the local community college (H.L. Stoutt Community College), which has campuses on Tortola and Virgin Gorda Islands. The college also collaborates with several universities outside the Virgin Islands that offer programmes at the Bachelor's degree level.

27. Citizens from the British overseas territories benefit from the home student fee rate at British universities. In addition, the European Union provides for access to, among others, horizontal European Union funds, such as those for higher education and vocational education.

C. Public health

28. The Health Services Authority of the Territory, a statutory body, was established in 2005 to manage public health-care delivery services. The National Health Insurance, providing universal health-care coverage, was launched in September 2015 and became operational in January 2016. According to the administering Power, electronic health records are in place in both public and private facilities and there is active use of videoconferencing to support care on remote islands.

D. Crime and public safety

29. According to the territorial Government, crime in the British Virgin Islands has fallen since 2012, with burglaries decreasing by 50 per cent in the first quarter of 2015, compared with the same period in 2014.

30. During 2015, the United Kingdom continued its funding of a law enforcement adviser based in Miami, United States, who coordinated, managed and facilitated training and strategic advice to introduce new techniques and skills to the Territory's law enforcement agencies. In addition, HMS *Severn* and RFA *Lyme Bay* were in the Caribbean as part of the Royal Navy's Atlantic Patrol Tasking North from January to July and from July to December, respectively, providing a British maritime presence, humanitarian assistance and disaster relief and crisis communications in the region throughout the year. During the core hurricane season, a larger Royal Navy or Royal Fleet Auxiliary ship is on standby to provide humanitarian and disaster relief support to Anguilla, Bermuda, the British Virgin Islands, the Cayman Islands, Montserrat and the Turks and Caicos Islands. During their time in the Caribbean, both ships also worked with other regional navies and coastguards to combat illegal activities on the high seas.

E. Human rights

31. Major international and European human rights conventions have been extended to the British Virgin Islands. Chapter 2 of the 2007 Constitution enshrines fundamental rights and freedoms of the individual and provides for the establishment by law of a human rights commission. According to the administering Power, in November 2014, a bill entitled "Human Rights Commission Act" was introduced in the House of Assembly. Some of the powers and duties of the human rights commission to be established include educating the public on the rights and freedoms in the 2007 Constitution and those relating to other international human rights instruments or activities. According to the administering Power, it is anticipated that the commission will be established in 2016. The judicial system continues to hear matters brought on the grounds of alleged infringements of human rights.

32. The first National Policy for Gender Equity and Equality was developed in 2011 with the objective of educating and changing public attitudes on gender roles and responsibilities and developing new strategies to eliminate domestic and other forms of gender-based violence and discrimination in the Territory.

V. Environment

33. The British Virgin Islands has acceded to several multilateral environmental agreements, including the Convention on International Trade in Endangered Species of Wild Fauna and Flora, the Convention on Biological Diversity and the Convention on Wetlands.

34. In 2014, the territorial Government passed legislation to establish a permanent shark sanctuary in its territorial waters and prohibit commercial fishing of all shark and ray species throughout those waters. In addition, according to the administering Power, public consultations have been held since 2014 to dedicate six new protected coastal and marine zones.

VI. Relations with international organizations and partners

35. The British Virgin Islands has associate membership in the Economic Commission for Latin America and the Caribbean, the International Labour Organization and the United Nations Educational, Scientific and Cultural Organization.

36. The Territory is an associate member of the Caribbean Community, the Caribbean Common Market and the Organization of Eastern Caribbean States and is a borrowing member of the Caribbean Development Bank.

37. In March 2014, the Territory hosted the sixth meeting of the Inter-Virgin Islands Council between the British Virgin Islands and the United States Virgin Islands with a view to addressing mutual interests and challenges and to fostering and promoting cooperation between the two Territories. Topics addressed in the meeting included law enforcement, pleasure boating and sport fishing, cooperation in tourism, energy and utilities and culture and education.

38. As a Non-Self-Governing Territory of the United Kingdom, the British Virgin Islands is associated with the European Union but is not a part of it. The Territory is a member of the association of the overseas countries and territories of the European Union.

VII. Future status of the Territory

A. Position of the territorial Government

39. The position of the territorial Government regarding the future status of the British Virgin Islands is reflected under section I, above.

B. Position of the administering Power

40. On 15 October 2015 at the 7th meeting of the Special Political and Decolonization Committee (Fourth Committee) during the seventieth session of the General Assembly, the representative of the United Kingdom stated that the relationship of the Government of the United Kingdom with its overseas territories was a modern one based on partnership, shared values and the right of the people of each territory to choose to remain British. The Government of the United Kingdom and its territories recognized that their relationship brought mutual benefits and responsibilities.

41. He went on to say that, since the publication in June 2012 by the Government of the United Kingdom of a white paper entitled *The Overseas Territories: Security, Success and Sustainability*, the United Kingdom had worked closely with its territories to further develop those partnerships. His Government had consolidated the annual meeting with the leaders of territories into a Joint Ministerial Council, with a clear mandate to review and implement the strategy and commitments set forth in the paper. His Government's fundamental responsibility and objective under international law, including the Charter of the United Nations, was to ensure the security and good governance of the territories and their people.

42. At the fourth meeting of the Overseas Territories Joint Ministerial Council, held in London on 1 and 2 December 2015, the United Kingdom and overseas territory leaders agreed upon a communiqué setting out, among other things, the joint position of the United Kingdom and the overseas territories on seif-determination. In the communiqué, the political leaders and representatives stated that leaders of the overseas territories were democratically elected by the people of the Territories and were accountable to them and that the principle of equal rights and self-determination of peoples, as enshrined in the Charter of the United Nations, applied to the peoples of the overseas territories. They reaffirmed the importance of promoting the right of the peoples of the territories to self-determination, a collective responsibility of all parts of the Government of the United Kingdom. They committed to explore ways in which the overseas territories could maintain international support in countering hostile sovereignty claims and agreed that the fundamental structure of their constitutional relationships had been the right one — powers had been devolved to the elected Governments of the territories to the maximum extent possible consistent with the United Kingdom retaining those powers necessary to discharge its sovereign responsibilities — while agreeing upon the need to review the effectiveness of constitutional arrangements over time.

VIII. Action taken by the General Assembly

43. On 9 December 2015 the General Assembly adopted resolutions 70/102 A and B without a vote, on the basis of the report of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples for 2015 (A/70/23) and the subsequent recommendation by the Fourth Committee. Section IV of resolution 70/102 B concerns the British Virgin Islands. In that section, the General Assembly:

(a) Recalled the 2007 Constitution of the British Virgin Islands and stressed the importance of continued discussions on constitutional matters to accord greater responsibility to the territorial Government for the effective implementation of the Constitution and increased levels of education relating to constitutional matters;

(b) Requested the administering Power to assist the Territory by facilitating its work concerning public outreach efforts, consistent with Article 73 *b* of the Charter, and in that regard called upon the relevant United Nations organizations to provide assistance to the Territory, if requested;

(c) Welcomed the active participation of the Territory in the work of the Economic Commission for Latin America and the Caribbean;

(d) Recalled the holding, in March 2014, of the meeting of the Inter-Virgin Islands Council between the Territory and the United States Virgin Islands.